

ASSEMBLY BILL

No. 590

Introduced by Assembly Member Dahle

February 24, 2015

An act to add Section 16428.81 to the Government Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 590, as introduced, Dahle. Greenhouse Gas Reduction Fund.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

This bill would create the Biomass State Cost Share Account within the Greenhouse Gas Reduction Fund. The bill would require an unspecified amount of moneys to be transferred from the Greenhouse Gas Reduction Fund to the Biomass State Cost Share Account. Moneys in the account, upon appropriation, would be available for expenditure by the State Energy Resources Conservation and Development Commission for the purposes of maintaining the current level of biomass power generation in the state and revitalizing currently idle facilities in strategically located regions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) California leads the nation in bioenergy production, with one-half of the industry located in this state, which has an abundant supply of bioenergy resources.

(b) Biomass power generation provides electric ratepayers with clean, renewable energy that supplies the grid 24 hours a day, seven days a week regardless of atmospheric conditions. These benefits are paid for through contracts with the state's electric utilities.

(c) Biomass power generation also provides valuable, environmentally preferred wood waste disposal service for the disposal of 7.5 to 8 million tons of California's annual solid waste stream and the avoidance of 1.5 to 3.5 million tons annually of biogenic CO₂ emissions. By diverting biomass residues away from open burning, landfill burial, and accumulation in forests, the state benefits from reduced criteria air pollutants and greenhouse gas emissions, landfill capacity use, forest and watershed improvement, rural employment and economic development, and energy diversity and security. These services have been provided without compensation in the past, as the electricity market was able to fully underwrite the cost.

(d) The environmental services provided by biomass power production are clearly valuable to society and therefore provide the rationale for a state policy to pay for biomass power generation commensurate with its provision of waste disposal services.

(e) Protecting these existing resources will help the state meet its goals to reduce greenhouse gas emissions, protect existing jobs, and provide waste disposal benefits.

SEC. 2. Section 16428.81 is added to the Government Code, to read:

16428.81. There is hereby created the Biomass State Cost Share Account within the Greenhouse Gas Reduction Fund established pursuant to Section 16428.8. Moneys in the amount of _____ dollars (\$_____) shall be transferred annually from the fund to the account. Moneys in the account, upon appropriation, shall be available for expenditure by the State Energy Resources Conservation and Development Commission for the purposes of maintaining the

- 1 current level of biomass power generation in the state and
- 2 revitalizing currently idle facilities in strategically located regions.

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